

Securing Our Future...

At Home and In Our Community

Our nation, our state, our county, our governments -- and yes, all of us -- have been tested on multiple fronts over the recent few years. Terrorists have attacked our home front placing our national security in jeopardy; our businesses and Wall Street have been hurt by a sustained period of economic downturn and uncertainty, exacerbated by the continued threat of world conflict; we -- you and I, our families, our neighbors -- have been questioning our economic and personal security that affects our everyday lives; and governments at every level are facing fiscal crises and challenges not seen in decades.

Just this past Saturday, President Bush once again had to face a nation in distress; "The Columbia is lost; there are no survivors," he said. More tragedy and unspeakably sad news delivered to the nation at a time of world conflict and uncertainty.

But the President and the family members of these brave men and women have a united and clear message--despite the known risks, we must find the will and the courage to continue exploration and discovery. It is how this nation was born and how this nation has grown up.

Certainly, while the challenges before us as a government and a community simply do not compare with the challenges of space exploration and what these seven brave astronauts faced, we are inspired by their will and courage. As we share the grief and sorrow of their loved ones, we are reminded of the uncertainties before each of us every day, reminded that there is only so much we can control -- but also inspired to grab hold and deal with what we can control.

It is so timely and so important I assure you that what Dutchess County government can control, we are and we will work to continue to control as we look to the future. As a government and as a community we have a proven record not only of being good test takers, but also of knowing how to prepare for the test!

My great passion for Dutchess County, NY only intensifies with time, and I will remain resolute that as we deal with the future "tests" before us in both the short and long term, it will be done in a collaborative and shared way that does not alter the mettle and spirit of this government or this community, or of the people who call it home.

Like our country and like communities elsewhere, the State of our County is challenged; yet unlike many communities elsewhere, it is sound, and I am confident and excited about our future. Let me tell you why.

COUNTY FINANCES

2002 was a difficult year financially for New York State counties due primarily to the lingering economic slump, the aftermath of September 11th and exploding Medicaid costs. For some other counties, 2002 was particularly difficult because officials were too optimistic in judging the economy's ability to rebound and they

depleted their county's "rainy day funds" in 2001. Across New York State, 2003 County budgets adopted late last year contained significant property tax increases, sales tax increases, new fees on auto registrations and cell phones, and the repeal of the sales tax exemptions on clothing. Despite all of these "revenue enhancers," however, they also called for layoffs and program reductions. It was a difficult year indeed for New York's 57 counties—as well as for New York City.

Last spring it became apparent Medicaid costs would exceed the \$33.5 million in our 2002 adopted budget, creating a deficit of at least \$2 million. The chart at right demonstrates the increase in Dutchess County's cost of this Albany-imposed mandated cost. Note the rapid rise in cost since 1999. This resulted from increases in the cost of medical care and prescription medicines and the growing costs of long-term care for our seniors. Also affecting the costs, however, are the Medicaid program enhancements enacted in Albany—ten major enhancements since 1999, including four made since September 11, 2001 with the full knowledge of the financial difficulties facing state finances. As I've said before, County governments have absolutely no control over Medicaid costs. All decisions are made in Washington and Albany. We merely pay the bill!

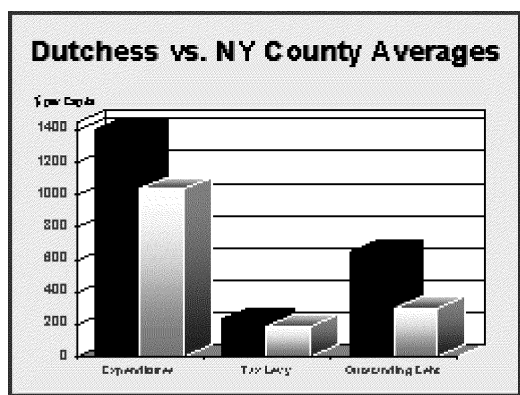
New York State spends more for Medicaid than any other state—including California with twice New York's population. Governors from across our nation representing both sides of the isle are calling on Washington for help. Will New York's call be heard from within the crowd? So far it has not. The cost of Medicaid was THE financial story in Dutchess County and other New York State counties in 2002 and promises to remain in the forefront in 2003.

At the same time our projections revealed the Medicaid deficit, they were also pointing to a potential 2002 shortfall in sales tax income. Fortunately, stronger receipts in the second half produced annualized growth of 3.5%. The combined effect of the Medicaid deficit and sales tax shortfall could have had a devastating impact on county finances. While we cannot control Medicaid costs or sales tax receipts in the short term, what we can control, we do control. That is why I directed executive department heads to limit spending to mission critical items, postponed certain capital spending and tightened hiring restrictions.

That is why I also directed our labor negotiating team to settle outstanding issues and bring all current contract talks to conclusion. Our goal was to recognize and reward our employees for the outstanding service they provide while recognizing the economic realities we face. I am pleased we were able to reach agreement on a new four-year contract with the CSEA, which provided for realistic cost of living adjustments coupled with changes to the health insurance program that will help to stabilize costs for the employees and the county. We also reached agreement with the PBA Sheriff's Deputies to extend their current four-year agreement one additional year. Finally, we agreed to a four-year contract proposal submitted to us by the DCSEA-CWA leaders representing Corrections Officers, but that agreement was rejected by their membership. The signed CSEA and PBA contracts and the precedent they establish for the remaining unit provide predictability of future payroll costs and short-term stability in health care costs. Costs associated with the labor settlements were funded from the county's fund balance as planned.

Also in 2002, the Legislature adopted the state's early retirement benefit program through which 103 employees retired. We are attempting a daunting effort to manage the vacancies created by the retirements to achieve a \$1.5 million payroll savings in 2003 and continued savings for the next several years. Given our history of tightly managing our workforce, absorbing these vacancies all at the same time has created a

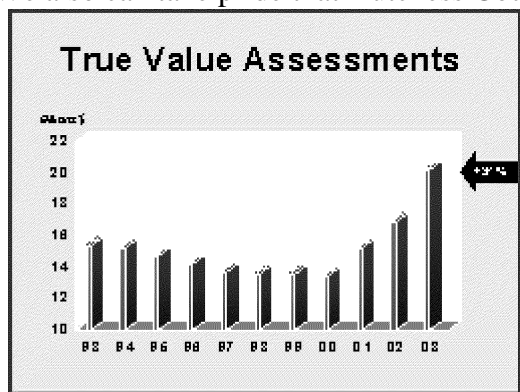
significant challenge. With the exception of the Board of Elections, all agencies and all independently elected officials have recognized the challenges before us and have been supportive of Legislative/Executive policies and efforts to meet our service delivery commitments with reduced staff resources.



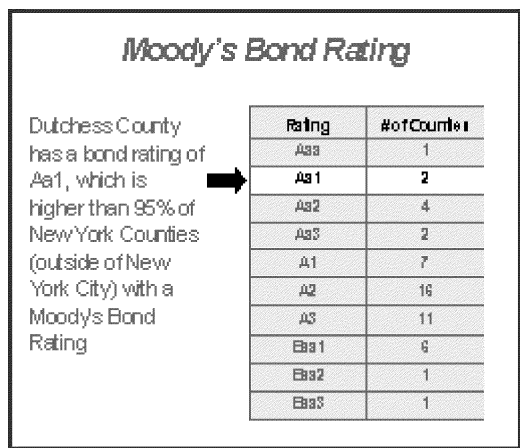
The strategies and initiatives we put in place including the creation of key partnerships with the private and not-for-profit sectors, strategic investments in new technologies, and restructuring key service delivery systems continue to bear fruit and have enabled us to meet current financial challenges better than most. Based on statistical data published recently by the State Comptroller, Dutchess County taxes its residents 21%**less** per capita and spends 26% **less** per capita than the statewide county average. Incredibly, Dutchess County's outstanding debt

per capita is an astonishing 53%**below** the statewide county average! All these are notable achievements.

We also can take pride that Dutchess County's outstanding indebtedness represents **amere** 8% of the



constitutional debt limit. This positions us well for several major projects before us, most notably the multi-million dollar jail expansion. True Value Assessments reached \$20 billion this year, representing the third year of significant growth following several years of decline. And of particular importance to Dutchess County property taxpayers, the county property tax levy totals **ONLY** 22% of the County's constitutional taxing limit and **is still lower than in 1989**, an achievement few governments can claim.



We are pleased *Moody's Investors Services* continues to be impressed with Dutchess County's financial strength with an Aa1 bond rating—one of only two counties in New York State to achieve this enviable rating. Dutchess County issued \$4 million in Bond Anticipation Notes in January 2002 and \$11.4 million in December, both of which earned the highest rating possible from *Moody's* (MIG1). In rating the January issue, *Moody's* cited Dutchess County's stable financial position, improved liquidity and our ending fund balance, the amount of which was consistent with the statewide median. They also pointed to Dutchess County's expanding economy, renewed job growth, reduced tax appeals, and our manageable debt position with rapid payout. Each of these is a significant achievement

when compared to other New York Counties.

However, while *Moody's* once again assigned a MIG 1 rating to our Bond Anticipation Notes, they also assigned a negative outlook to our bond rating. Specifically, in December *Moody's* observed,

“The county will be challenged over the medium term to maintain structural balance and ensure strong fund equity and liquidity.. Budgetary pressures are expected to continue tied mostly to Medicaid, pension and health benefit cost increases as well as the cost of labor agreements. Exacerbating these pressures is the county's reliance on sales tax receipts (32% of 2001 General Fund operations), which is an economically sensitive revenue source. Moody's believes the inherent vulnerability of the sales tax dictates that reserve levels increase in step with any increased reliance on this revenue stream. Therefore, should the county's fiscal 2003 budget, set to be adopted within two weeks, include an increase in the county's sales tax rate, which would require subsequent state approval, higher reserve levels may be warranted.”

Moody's Investors Service issued a special report in late December entitled “Budget Imbalances Could Place Credit Pressure on Some New York Counties.” *Moody's* concluded the report with its expectation that financial pressures that began to impact counties in 2001 will continue for the foreseeable future. They also concluded that counties will continue to struggle to achieve structural balance unless the economy begins to recover and changes are made to the State's Medicaid funding system. “That said,” the report continues, “*Moody's* believes management's ability and willingness to take proactive steps in initial stages of a downturn is a key indicator of long-term credit strength. The political ability to raise taxes and make difficult service decisions is also critical.”

Just yesterday we sold \$18.8 million in general obligation bonds. As expected, *Moody's* assigned our bonds an Aa1 rating with a negative outlook. Echoing the comment from its December report, *Moody's* added,

“Moreover, should state approval of this increase (sales tax increase to 8%) not occur by March 1 to facilitate a June 1 implementation, *Moody's* believes the county will face significant challenges to ensure structural balance. *Moody's* continued analysis will factor 2002 year end results as well as 2003 budget implementation with a focus on Medicaid and pension costs, potential retroactive union settlements that are unbudgeted as well as sales tax receipts.”

Fortunately, the strength of our local economy and the fiscal stewardship we have demonstrated for over a decade made our bonds very attractive in the marketplace—we received twice the normal number of bids and achieved an attractive interest rate of 3.6%.

The administration recognized the challenges before us and took immediate action last spring by restricting hiring, implementing spending controls, and obtaining predictability and stability in employee salary and benefit costs. Knowing the challenges would be greater in 2003 and 2004, I called upon this Legislature last fall to make difficult service decisions. Unfortunately, the Legislature lacked the political courage to do so, preferring instead to increase the local sales tax rate to 8% and to increase spending in certain program and service areas above the levels recommended. What was billed as a tax stabilization plan is, in reality, an unwarranted and unwise tax attack on the finances of the families and businesses of Dutchess County. Some have called the sales tax increase “temporary.” Thinking people know better.

In December I shared with you the concerns expressed by senior staff of the risks of balancing the 2003 budget with revenue from the yet-to-be approved increase in the sales tax rate to 8%. Those concerns were echoed in the latest *Moody's* bond rating. First the Chairman told us it would be passed in December and it was not. Then we were told it would be adopted in January and it was not. More troubling is Dutchess residents and businesses were told they would pay the new higher 8% sales tax starting in June but the County Legislature is attempting to sneak in a March start date. Taxpayers beware!

As we explore the horizon of our County government's financial affairs, some fail to recognize that County government cannot be all things to all people. We, the Executive and the Legislature, need to demonstrate the courage to say NO even when a program may have merit, which most programs do. Our primary focus in the near term has to be on our internal financial affairs and the financial well being of those we serve.

Overall, our leadership in economic development policies and strategies has caused the Dutchess County economy to outpace many other areas of our state. Employment is high and stable, consumer confidence is encouraging, home sales are brisk. This bodes well for County government finances and those of our residents. Not encouraging, however, is the potential impact of the state's 2003-2004 budget recently released by Governor Pataki.

I applaud Governor Pataki for his leadership in focusing his State budget proposal on job creation, not taxes. His challenge and that of our state legislators is daunting given the magnitude of the deficit before them. True to his word, the Governor did propose Medicaid reforms. According to his remarks, the reforms have the potential to save \$395 million for County governments during the next two years. He also said the budget contains a comprehensive mandate relief package that will provide new incentives and greater flexibility to municipalities to reduce costs and remove long-standing impediments to greater efficiency.

Not mentioned in the remarks but included in the documentation, however, are proposals to restructure Medicaid cost responsibilities between the State and Counties, cap overburden aid, broaden Medicaid eligibility of certain mental hygiene services making them no longer 100% state and federally funded, reduce administrative cost reimbursements, cut health department funding and more. Much work will be done in the days and weeks ahead to analyze the details of the Executive Budget and their potential impact on Dutchess County government and our Dutchess County community.

One thing is clear though, **Dutchess County government does not have final control of the impacts the state budget will have on its finances and service delivery systems**. That is why we must focus our attention on those impacts where we can exercise some control and take swift, decisive action to ensure fiscal and programmatic stability. Senior staff and I will work closely with NYSAC, other professional associations, and our local state representatives to protect the interest of all Dutchess County residents and businesses.

Recognizing the fiscal challenges before us, County government must still move ahead—within its financial ability to do so—with initiatives deemed critical to meeting its traditional core mission. In the months ahead, we will proceed with the following:

- *Dutchess Community College*: Renovation of Bowne Hall to accommodate new occupants and to

upgrade and improve the HVAC systems; significant site work repairs and modifications to crosswalks, parking lots, walkways, plazas, stairs and ramps; roof, HVAC, plumbing, electrical and fire system upgrades in the Center for Business and Industry.

- *Eastern Dutchess Service Center.* To create and implement an action plan to provide the physical facilities and program resources required for the delivery of services in Eastern Dutchess County pursuant to our previous study and the resolution adopted by the Legislature last September.
- [*Open Space and Farmland Protection Matching Grant Program.*](#) Commit an additional \$2 million to the preservation of open space—bringing our total commitment to \$7 million. The Partnership for Manageable Growth includes a matching grant fund to provide a match for available State, Federal, municipal and/or other funds in order to protect Dutchess County open space and farmland. Matching funds are also available for municipal resource protection planning initiatives and for site-specific farmland protection plans that guide potential development away from prime and important farmland.
- *Dutchess County Jail Expansion & Renovation Phase II (Master Plan Completion):* The expansion and renovation of our county jail is necessary to comply with the NYS Commission of Corrections, the Corrections Law and Federal court stipulations.
- *Rail Trail:* construction of the next phase of the Harlem Valley Rail Trail, extending 2.6 miles from the Mechanic Street trailhead in the hamlet of Amenia south to the Metro-North Wassaic Train Station.
- *Airport Runway Improvements:* The Dutchess County Airport is a significant resource in our economic development strategies. This work will extend the pavement life of our runways and reduce the possibility of hydroplaning. The FAA is requiring the installation of an engineered materials arresting system to maintain safety.
- *Central Dutchess Corridor Water Line.* Phased funding will be required for the design and construction of a water line from the Poughkeepsie area to the East Fishkill area via the county owned abandoned Maybrook Rail Corridor. This line will transport water from the Hudson River and other sources to the already developed south central Dutchess area. These sources will support existing and future residential and commercial investment in our local communities, including the \$2.6 billion chip fabrication manufacturing facility at the IBM Hudson Valley Research Park. The ability to provide safe

drinking water through an area-wide central water system will promote significant economic development and will be a critical factor in the environmental and economic health of our residents.

- *Reconstruct and Improve Park Facilities* Dutchess County undertook a Parks facility upgrade project several years ago. More needs to be done to protect the investment the County has in the parks, specifically in the buildings, and to keep the parks safe for the public.

The full cost of these initiatives will be refined in 2003. Much of the work will be phased in over several years beginning with the feasibility, preliminary, and final design studies and ultimately construction. Much of the funding will be provided by the Federal and State governments in partnership with our local funding resources. Each of these initiatives support our core mission as a County government and each is critical to providing for the future economic well being of our government and of our community.

2002 was indeed a difficult year financially for Dutchess County and all New York State counties. The effects of September 11th, the lingering economic downturn and the devastating impact of state-imposed mandates called for swift action and leadership. The reform agenda we have followed for a decade, together with the policies of fiscal restraint that have become a hallmark of Dutchess County government, provided the foundation to maintain needed stability. While we have done better than most, the challenges before us rival in magnitude those of the early 1990s and promise to remain through 2004. This is why we will continue to implement prudent budget controls as needed and as authorized by the County Charter and Administrative Code. In addition, that is why I will look to the Legislature to exercise the political courage to resist calls for increased spending. I will continue my call to resist initiatives which supplement or supplant reduced state and federal revenues with local tax dollars. I repeat, we in Dutchess County government cannot and should not be the funder of last resort.

It is also why I will appoint a *Local Government Efficiency Task Force* made up of local officials and service providers to consider this question. The County already works with our localities through a shared purchasing program, saving residents hundreds of thousands of dollars each year. What other possibilities are there? Public works activities, insurance, planning, property assessments. ? First we will prepare a list of services where the County is already either assisting or working with our localities or where we are ready, willing and able to work with our localities, and move on to explore new possibilities. While the County shares our sales tax revenue with local communities, it simply cannot be the expectation that the County raises taxes even higher to provide an additional revenue source for localities. Rather, we should all be working together more proactively to control higher spending through shared efforts. Each level of government is facing budget stress. Let us find new ways to reduce this stress thereby reducing spending at all levels.

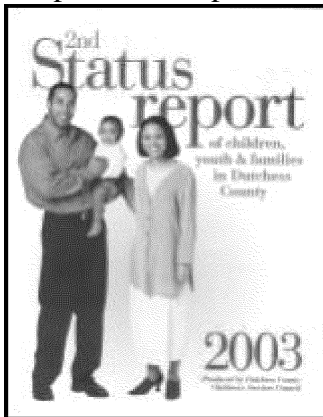
There is no doubt our resolve and resourcefulness were tested in 2002 and will be tested again in 2003 and beyond. However, despite those challenges, County government finances remain secure.

As we continue in the future with the proven and effective strategies we have developed over the past decade, we will construct and execute new and creative strategies reflecting the nature of the challenges before us

today. Let me tell you how.

Census 2000 revealed the *Under age 18* population in Dutchess County to be nearly 70,000, close to a 13% increase from the 1990 census figures. This compares to a 9.7% statewide increase in that age category. As our youth population continues to grow and the challenges facing them grow greater, we must remain focused on the services provided to our young people and remain committed to providing the quality of life that our residents want and expect for their children and families. We also know, however, government cannot do it alone. That is why I created the *Children's Services Council*, a 1998 State of the County initiative where I envisioned an active, working collaboration and partnership between public and private agencies that serve children.

I am pleased and proud – but not surprised – that five years later, the partners of this collaboration remain committed to working together to reach our common goals in certain quality of life areas for children and families. The *Children's Services Council* collected data to measure factors that indicate quality of life in five key areas- family life, safety and security, health, education, and adolescents. Community leaders and county residents were then asked to evaluate the status of our children, youth and families using both this data as well as their personal and professional experience. The results were just published and released in the *2nd Status Report of Children, Youth, and Families in Dutchess County*. This document is a valuable tool used by service providers for strategic planning and policy decisions for their service delivery to our young people.



The report shows that while we are making progress, we still have work to do. Based on the information in the report, the CSC, knowing it must focus on areas where it can have the greatest impact, has determined its priorities for the next three years will be *school readiness* and *youth at risk*. The Council will work with our schools and professionals to ensure *school readiness* by increasing public awareness and parental knowledge about the developmental stages and assets needed for children birth to six years of age, and by enabling recognition of early childhood developmental issues that need to be addressed, as well as access to appropriate services. With the *youth at risk* indicator the Council will promote opportunities that will empower youth to make positive life choices and will support youth to become active and valued participants in their communities.

James McGuirk, Ph.D., Chair of the Children's Services Council and Executive Director of Astor Home for Children, recently said, "These difficult financial times underscore the value and necessity of the Children's Services Council. Now more than ever, it is critical that we eliminate unnecessary redundancies in services. Now more than ever, we need to work together to make limited resources go further. We need to raise our voices and insist that our greater community step up to their shared responsibility for the health and well-being of our children, youth, and families."

Kudos and thank you to the hardworking and committed members of the *Dutchess County Children's Services Council* – you exemplify why I believe in collaborations and partnerships as a means of good governance and of successful community building.

Related but more specific to county government, we are also moving ahead this year with our broad-based

organizational review of Dutchess County's health, social, and human service delivery system as I proposed in my budget submission to the Legislature last November. The study will include county departments that deliver services to our children, youth, and families.

Business and industry re-engineer all the time and we want to continue to do that in county government. My goal is to find more opportunities to identify promising innovative solutions. Improved, more cost-effective and integrated, not isolated, service delivery must be explored under the existing environment. What was up to standard just a few years ago may not be good enough for county government and our residents today and tomorrow.

When organizations are most challenged by economic downturns, increased costs, and higher demands for service, a comprehensive internal look must be made of the organization. The study I have asked to be done will identify possible overlap, duplication, and mandated versus optional services. It will look at the extremely complex and varied departmental and program funding streams from New York State. It will include a review of successful models of service delivery elsewhere in New York and other areas of the country.

We begin this process with no preconceived notion of what the results will show, but we pledge to begin with an open mind and an eagerness to learn about and discuss whatever the outcomes of this professional, objective review demonstrate. It is absolutely essential we have the most information available, and the best information available, before any decision is made that could make significant changes to our current health, social and human service delivery system.

Key to the success of this review, however, is the word comprehensive. When there exist many related functions across multiple departments within one organization, a look at one function in one department simply is not enough to understand the most effective and efficient approach to the delivery of critical services to our residents.

One thing we know for sure, however, is the need to consolidate and deliver certain health and human services to our residents in the eastern portion of the county. In 2001, I sent the Dutchess County Legislature a proposal for a new *Eastern Dutchess County Government Services Center*. The concept has been exhaustively debated and now returned to me for action. Dutchess County government provides a broad range of services and programs to residents east of the Taconic Parkway. This variety of services involves most all of our county departments and agencies and includes both permanent and periodic services.

Some of the services are decentralized, including health clinics, Sheriff's substations, and [Office for the Aging Friendship Centers](#). For larger programs with regular services and staff-centered activities, enhancing the former County Infirmary building into an *Eastern Dutchess Government Services Center* is an efficient, logical way to provide services to our residents east of the Taconic. Between 1990 and 2000 the population east of the Taconic grew by thirteen percent. Harlem Valley communities experienced an increase of six percent over the decade.

In 2003, I will direct that the first phase of the proposed *Eastern Dutchess Government Center* be initiated on the former county infirmary site. We will be reusing a structurally sound building for a savings to county taxpayers. Phase one will correct the immediate needs of the Departments of Mental Hygiene and the [Health Department](#). Certain other services will also be possible once the Phase one improvements have been made.

Additionally, the Town of Washington has expressed interest in using a portion of the infirmary property for town recreational purposes. I will initiate formal discussions with the town to explore this possibility.

All of these policy decisions and directions we are taking are examples of how we will construct new and creative strategies reflecting the nature of some of the challenges before us today in the health, social, and human service delivery systems in order to secure the future of tomorrow. And it is why I am confident and excited about our future.

Our world is ripe with tension, the threat of war imminent. Clearly, we have no control over what is occurring in Iraq and elsewhere around the globe, but we do control county governments response to public safety and homeland security issues that could be tested locally in a major event. Preparedness is the key. Dutchess County has well-developed and tested emergency plans and we continually collaborate with community partners to strengthen our capacity to respond. Even before the name Osama Bin Laden was known to most Americans, Dutchess County government and our local emergency service providers were developing and testing our response capabilities to manmade and natural disasters, acts of terrorism and other catastrophic events that could affect our community.

To test the effectiveness of our response capability to terrorism, our [Department of Emergency Response](#) conducted a major training exercise at our county airport and created a training video; *Emergency Response to Terrorism in Dutchess County*. Joining us in this exercise were the State Emergency Management Office (SEMO), the Federal Emergency Management Agency (FEMA), state and local law enforcement agencies, fire departments, ambulance providers and local hospitals.



The Emergency Response department provides on-going training to local government officials, police, fire, EMS, utilities, hospitals, and other responders through a tabletop training aid developed by SEMO that simulates a city setting. Over 375 local public officials and responders have received hands-on training and successfully completed this two day, 16 hour course covering the principles of the *Incident Command System*.

School violence strikes fear in all. Parents need the assurance their children are safe while in school. In response, we developed the *SAVE Schools* program to provide hands-on training for school district safety teams and administrators to interact with police, fire, EMS, and other emergency responders. The program has been presented over 50 times and more than 585 participants have completed the course.

In May of last year we conducted an exercise on the grounds of the Hudson River Psychiatric Center that tested the response to a chemical release and hostage taking incident in a school setting. More than 200 local responders participated. This exercise was taped by FEMA and will air nationally on the *FEMA EENET* system.

While much has been accomplished to enhance our ability to respond to local emergencies and to improve our

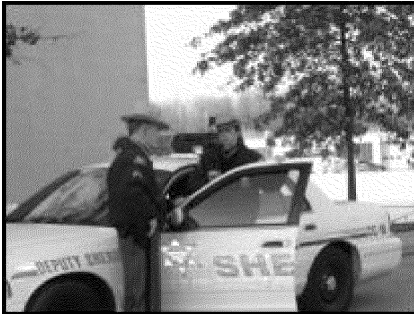
local 'homeland security', more remains to be done. That is why I have directed the County Emergency Response Coordinator to implement a two-track plan to reduce emergency response times.

When it comes to public safety, its all about getting from point A to point B, **fast**. There was a time that simple radio communication between police and dispatch met most needs. That time has passed.

Today, the most effective technology being employed to reduce response times is the use of *Automatic Vehicle Locators (AVLs)*. AVLs work with Global Positioning Satellites (GPS). Combining radio communications with GPS will enable our E-911 center to graphically locate emergency and police vehicles so when a call for service is received, the closest available emergency vehicle may be dispatched. AVLs will also give us the capability to provide the responder the shortest route to the emergency and give actual driving instructions. This gives the term *mutual aid* a whole new meaning.

That's why I will be committing \$600,000 to acquire this essential life-saving technology to enhance public safety and security in our community.

The other element of the plan to reduce response times calls for the addition of a *second 911 police radio frequency* to the county's emergency radio system. Currently both dispatch and police communications are on the same frequency. The second frequency will greatly enhance dispatchers' ability to communicate with police while keeping the dispatch frequency clear. This will allow for clearer connections and improve officer safety and public security.



We have worked closely with the *Dutchess County Chiefs of Police Association* throughout the development and operation of our E-911 center and program. The Association's 911 Subcommittee plays an important role in recommending operating protocols for us. This second frequency proposal is one such recommendation by the Police Chiefs Association. According to its President Chief Jim McKenna, the cooperation between agencies in Dutchess County has led to improvements in public service delivery, noting the added frequency will help the police and the entire public safety community, as well as better protect the public.

New York State Police Major Thomas Fazio recognizes the *second 911 police frequency* as "a great accomplishment for the police and people of this County. The additional frequency allows for a more efficient means to provide assistance and security to the fast growing population. The County Executive and the staff of the County 911 Center are to be commended.."

There is little question our local first responders will need back up in the event of a major emergency event. That is why in 2003 we will broaden our capacity in the critical area of emergency preparedness through partnership with the *Northern Metropolitan Healthcare Foundation (NorMet)*. NorMet is one of only 42 organizations throughout the nation to receive a grant from the U.S. Department of Health & Human Services to develop a local volunteer *Medical Reserve Corps*. The purpose of the *Medical Reserve Corps* is to assist local medical professionals and facilities in responding to a large-scale emergency. Citizen volunteers will be

recruited, trained and credentialed to respond and put their skills to use during an emergency.

Also in 2003, we will enhance our ability to provide up-to-date information on bio-terrorism issues to area hospitals and physicians. The ability to recognize diseases that may be the result of covert acts of terrorism is essential to local preparedness, responsiveness and our ability to protect and secure public health. However, few of today's medical professionals have experience or training recognizing disease agents that might be employed as biological weapons. To address this critical need, our Health Department has identified a clinical recognition and diagnostic software system for healthcare professionals. We are working toward becoming a demonstration site in New York State. Through funding provided by the state, it is our goal to acquire the software and work with our county's key medical facilities to implement this critical diagnostic tool enabling physicians to fulfill their first responder role in our community's homeland security efforts.

These are examples of how we will construct new and creative strategies reflecting the nature of the challenges before us today in the areas of public health, safety and homeland security in order to secure the future of tomorrow. And it is why I am confident about our future.

Since I was first elected and became your County Executive in 1992, I have witnessed many changes in Dutchess County. To our credit, in a way, I think we have become less a geographic territory and more a community. At the county level we have worked hard to make this happen by implementing policies which have the goal of knitting our 30 local communities together. To me these policies—policies that didn't exist prior to 1992—are some of the most exciting changes we have made in our efforts to create a greater, connected community, and are indeed what gives me strength and confidence in our future.

We work to knit communities together when we follow the guidelines of our [Greenway Program](#). The Harlem Valley Rail Trail we built, for example, joins three communities directly. The trail has been an invitation for people in western Dutchess County to visit and enjoy the beauty of the eastern portion of the County. The Amenia section of the trail will be improved this year when we extend it for a two and a half miles south to join with the northern terminus of Metro-North. This will provide an improved connection to thousands of potential visitors from points south. I also allocated funding in a future year to extend the trail northward toward the Columbia County border. Therefore, more communities and more connections will be knit together, making eastern Dutchess County a destination for those who want to share in its rural, locally focused charm.

We will knit the County further with the development of the *Mid-County Rail Trail* through four communities—from Poughkeepsie, through LaGrange, Wappinger and East Fishkill. We have, unfortunately had to wait for its development until completion of the *Central Dutchess Utilities Corridor* but we even now can envision further connections, including ones to the impressive Putnam and Westchester trail systems to the south.

Riding a bicycle or hiking on trails speaks to our special quality of life. The Greenway vision is also

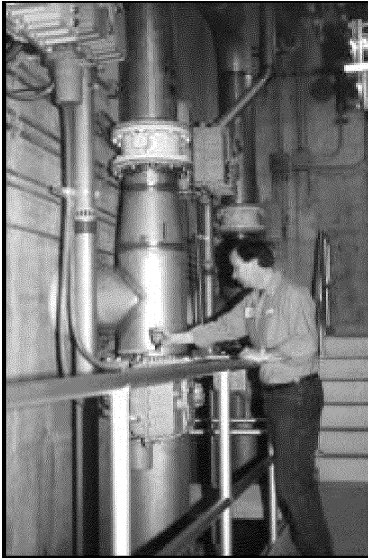


committed to development of a pedestrian trail stretching nearly 50 miles from Fishkill and Beacon to Red Hook and Tivoli. The County is presently cooperating with the Winnakee Land Trust to secure trail easements, which would complete connections between the existing trails in Hyde Park and the Town of Rhinebeck. Such cooperation is only possible with a common vision, with a united commitment to improving our quality of life, to making *“home improvements”* at a county scale.

I could go on to describe wonderful work at the local level...plans that show the Village of Red Hook eventually connected by trail to Bard College, connections between Bard and Tivoli, plans to connect the village of Pawling with its surroundings by trails, plans for a vast network of trails connecting Wappingers Falls with the town's trail system. Our Greenway inspiration is, above all else, connecting... people and places. It's a vision of a better quality of life in our communities and of the security of a greater community for all of us. Every time a planning board and developer cooperate to plant street trees in front of their development, every time they add a stone wall or reduce the prominence of large parking lots, we all benefit from our Greenway vision.

Another knitting endeavor has been in agricultural and open space protection. This is a notable example of creating economic and quality of life security for our county. The activities of the Dutchess Land Conservancy, Scenic Hudson, the Winnakee Land Trust and the Oblong Land Conservancy have long been very beneficial to landowners and the general public. As a result, I proposed a level of County participation to complement the work of these fine organizations last year when I challenged towns to follow with their own funding programs to help protect their most valuable open space resources. At least one northern Dutchess community has already accepted my challenge. Together we can continue to save substantial contiguous parcels of our most fertile and beautiful farmland and open space parcels for purposes of economic and environmental productivity. We all need continuing and constant access to our rural heritage especially as we witness the inevitable growth of housing and businesses. It is why I led the creation of a historic agricultural and open space protection program in Dutchess County, why we have pledged \$7 million over the past several years for these purposes, and why I am confident and excited about our future.

Yet another way we are knitting together as a community is through the activities of our [Water & Wastewater Authority](#). From managing no systems when I took office 12 years ago, we now manage eight systems in six communities and we have many more needs and requests to consider. Work continues on the Central Dutchess Water Line project - one of the most important infrastructure projects in decades and key to the future of the county - that will move water along a 13-mile pipeline from Poughkeepsie to East Fishkill. The



Authority is managing the project, but it is a collaborative effort with the County, the Authority, the state, and local municipalities. IBM is also making a significant financial contribution toward the successful completion of this project. This project will make available sources of water from the Hudson River to some of our fastest growing communities giving each community along the route greater security in their water supplies. Just as the Legislature was far-sighted in purchasing the Maybrook corridor years ago, we want to be far sighted in ensuring that there is sufficient supply of water available from the corridor both now and in the future.

We also continue our efforts to better identify and understand the aquifers and water supplies throughout the county, the threats to those supplies and, in cooperation with our local municipalities, to develop protection strategies to prevent and mitigate quality and quantity problems.

Last year, the our County Health Department and Water Authority collaborated to develop an informational brochure providing guidance to property owners who get their drinking water from private wells. The flyer entitled *Drinking Water Safety... It's Everyone's Responsibility* was mailed to every property owner in Dutchess and is routinely distributed with every new well permit issued. Although we are leading the way among New York State counties in protecting and improving our water supplies, there are opportunities, and I believe obligations, to do more.

Forty percent of Dutchess County residents rely entirely on groundwater from private wells to get their daily drinking water. Unlike Public Water Supplies, private water sources have no standards to regulate the quality of the water they produce. There are no enforceable limits for contaminants and no requirements for testing on any regular basis that could indicate if the water is safe to drink. So, for many families who get their water every day from private wells—having clean, safe water to drink, that is free of contamination, is left largely to chance. This situation is not good for the health of our residents and our county's environment, nor is it good for our economic security.

I have asked the Health Department to distribute a supply of these informational brochures to each City, Town and Village Building Inspector, beginning immediately. We will ask their cooperation to provide a copy along with each Certificate of Occupancy issued to a new homeowner. Through this collaborative effort of county and municipal government, we will enhance the awareness of each family regarding actions they can take to protect their own private drinking water supply. I know our localities will want to join in this effort.

Because of the importance of safe drinking water and the absence of ongoing quality testing of private wells, **I will be asking the Dutchess County Board of Health** with support from our Department of Health and the Water Authority, **to undertake a comprehensive analysis of this issue during 2003 and develop recommendations to the Executive and Legislature.** To ensure that all viewpoints and issues are considered, I will use the same inclusive approach I have used to achieve other broad community goals. I am recommending the process involve representation from all areas of our community, including local government, builders and developers, realtors, the Dutchess County Soil and Water Conservation and the Environmental Management Council. Early this year, I will outline the framework for this initiative in more

detail with the Commissioner of Health, Dr. Michael Caldwell, and the Water and Wastewater Authority Executive Director, Scott Chase.

Surely, getting a handle on our utility needs and building the infrastructure to support those needs are prerequisites to intelligently managing growth pressures in a way that will help achieve my goals to preserve our best agricultural and open space resources, provide our residents with the security of a healthier quality of life, and support the jobs growth necessary to ensure economic security for our families now and in the future.

We have also come together as a community to knit a united response to critical county needs through activities of our [County Economic Development Corporation](#). The principal recommendation that emerged from the community-wide Economic Forum I convened in 1993, responding to the downsizing of IBM, was to have a focused and comprehensive entity to direct and coordinate our economic development activity. Since then, through increased tourism, through active recruiting of new businesses, through expert administration of the Economic Development Zone, (now the Empire Zone), through workforce development efforts, and through assistance to existing businesses, unlike others, we have been able to enhance our jobs growth even during a slowing regional and national economy

Our Empire Zone (EZ) process has been a most effective tool in stimulating new investment and adding jobs. Since I first worked with our localities in 1994 to form our zone, local communities with zone locations have increased from the original 3 to 11. Poughkeepsie (town and city) East Fishkill, Fishkill (town and village), Dover, Beacon, Wappinger, Wappingers Falls, Hyde Park, and Amenia now have prime business locations offering EZ incentives and those prime targeted locations have become job building magnets. From something that didn't exist just eight years ago, we now have an incredible 283 businesses certified within these zone locations.

Largely due to our zone expansion efforts, the number of zone certified businesses has increased by fifty-five percent in just two years. This is important because 75% of those certified are intending to expand existing Dutchess County business.

I have worked with the zone board to insure as broad a reach as possible for the EZ. Two locations in the Harlem Valley, the former Harlem Valley Psychiatric Center and former Wassaic Development Center have recently been added to our County's EZ program. I submitted these locations for legislative action because of their unique potential to invigorate the economy of the Harlem Valley and the county.

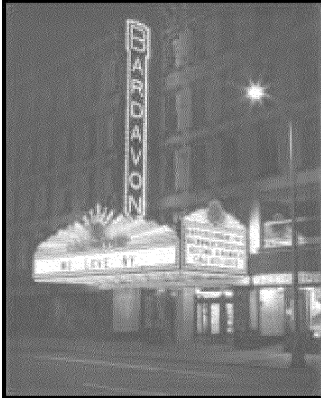
I want to take this time to congratulate David Conklin, our [DCC](#) President and volunteer president of the Dutchess County EZ. He and Director Anne Conroy, along with the Zone Administrative Board, have worked relentlessly to make our job creation and investment accomplishments second to none in all New York State.

I believe it is again time to convene business and community leaders, government partners, and others once again for a **2003 Economic Security Summit** to look at this community's current and future economic and business challenges, to evaluate our existing strategies and programs, and to set a course for building even stronger economic security. I have asked the Dutchess County Department of [Planning and Development](#) together with the Economic Development Corporation to assemble a planning committee to work with me to

launch such an economic security summit to be held in the fall of this year. I am confident we will obtain the same quality of insights that inspired our economic development activities nearly a decade ago.

Since my early days as County Executive, I have recognized and promoted tourism as a mainstay of our jobs base in our Dutchess economy. The [Dutchess County Tourism Promotion Agency's](#) parent organization, the Economic Development Corporation, has also recognized this and has recently expressed a renewed commitment to further developing our tourism infrastructure within the County. The Agency is now developing a series of “*tour packages*,” encouraging eager visitors to stay with us for a night or two, or longer, as they explore a variety of historic, culinary, architectural, cultural, and out-of-doors activities.

Every year we work to have more to offer residents and visitors alike. In May, we will see the opening of the



Dia Arts Center, a world-class organization we worked so hard to convince to come to Dutchess County, that will coincide with the official introduction of Minetta Brook outdoor sculpture program, and Beacon's 90th birthday ([Bard's](#) opening of the Performing Arts Center will have occurred a month earlier). Dutchess County will put out the welcome mat, joining artists, organizations, patrons and residents in a celebration of who we are and how we have come together in worlds of performance, creativity and self-expression.

That is why I propose we establish an event that helps us rediscover Dutchess County through a festive *Spring Celebration of the Arts*. Let's have a long moment of fun while we recognize the superb talent of artists from far and near. Let's involve our families of Dutchess County with the thousands of visitors, many of whom will discover Dutchess County for the first time. I have asked county tourism and planning officials to work with Dia, the [City of Beacon](#) and other local organizing groups such as the [Greater Southern Dutchess Chamber of Commerce](#) and Beacon Arts Community Association (BACA) to support their endeavors to make the celebration as inclusive as possible.

As we envision the impacts of all of these policies, activities, and events, it is easy to see why more and more,



many of us think of Dutchess County as a ***Hub of the Hudson River Valley***. Perhaps it is because our IBM Chip Fab is a center of world attention; maybe it is because our horse breeding industry is written about in the *New York Times* as recently as one week ago; or perhaps it is the international attention the [Culinary](#) and FDR Library attract – or even the regional attention drawn to Dutchess Stadium or the way Marist and Vassar are gaining such heightened reputations. Perhaps it is Vassar Hospital's status as a regional medical center. Maybe it is

because of Dutchess County's growing importance in the arts: the Dia Art opening; Kaatsbaan's presence; Tallix world renowned sculptures; Minetta Brook sculpture program with international appeal; Bard Performing Arts Center, perhaps one of the best college facilities of its kind in the world; or consider the talent that visits us regularly at the Bardavon and the Civic Center. Yes, we in Dutchess are successfully branding our community to be the ***Hub of the Hudson River Valley***.

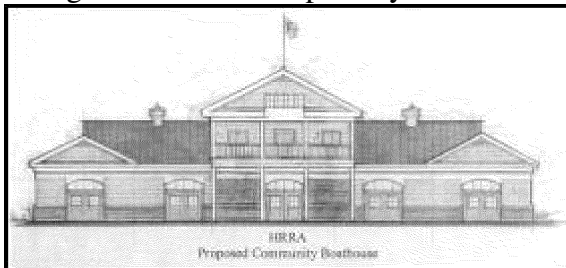


Maybe we also think of ourselves as a hub when we consider the activity around the Beacon and Poughkeepsie train stations. My office and our Department of Planning has been working with Metro-North and have begun a planning design process to build a new station and parking structure in Beacon. The new station will serve as a vibrant, exciting visitor center, a *Gateway Welcome Center*, and will provide new opportunities for people to access our waterfront. We are continuing to position the Poughkeepsie Train Station to solidify its role as a regional hub.

The intermodal improvements we began in 1995 are completed, but greater possibilities for the station and location are still in front of us. Therefore, last year I asked the Commissioner of Planning and Development and the Director of Tourism to head a County Executive ad hoc committee consisting of varied, but related interests, to investigate ways to improve the interior of Poughkeepsie Train Station. My vision is to create an inspiring first impression for new visitors, as well as a lasting impression to remind local residents all this community has to offer. It can literally provide the pictures to tell the story of a community full of diversity diversity in its people, its places, its history, its culture, and its recreational and educational opportunities. The committee has submitted for my review a number of intriguing possibilities to enhance the Train Station's role as a welcome mat, or another *Gateway Welcome Center* for Dutchess County. I am asking them to pursue some of their ideas, working together in cooperation with Metro-North in 2003.

Maybe we think of ourselves as a hub when we consider the various activities around our Hudson River waterfronts. For the past several years, the *Hudson River Rowing Association* has enabled students from Poughkeepsie, Arlington, Hyde Park, Spackenkill and Our Lady of Lourdes High Schools to participate in rowing competitions. Rowing helps tie us to the Hudson River, reminding us of our historic dependency on the Hudson and perpetuating the river's role as a principal focus in our daily lives. As a parent of children formerly involved in rowing, I join with those rowing families who understand the discipline needed to make 5:00 a.m. practices and who want the sport to grow and flourish. I can attest to the inspiration of this program.

Having worked over the past 2 years with the Rowing Association under the leadership of Andy Mauer and



Judy Clark and having worked with our schools, involved parents and [Vassar](#) and [Marist](#) Colleges, I am announcing today the County's commitment to, and participation in an ambitious goal to build a *Community Boathouse Rowing Center* on riverfront lands made available by Vassar College just south of and adjacent to the Marist campus. Several potential funding sources have already been identified to

support this endeavor and architectural plans are already being developed. This project will further help brand Dutchess as a hub of the Hudson River Valley and create yet another exciting "hub" destination within our borders.

Towns also want their hubs. We have worked with LaGrange to envision one of the most exciting planned community development projects in recent history. If successful, the county staff I have assigned to assist our

local [LaGrange](#) leaders will help convert the Freedom Plains hamlet into an attractive, mixed-use area with traditional shopping streets and residential neighborhoods similar to our historic villages and larger hamlets. [East Fishkill](#) officials have also worked with us to envision a renewed hamlet in Hopewell Junction, which again would exhibit the best of urban village design. Beekman and [Union Vale](#) have also expressed interest in creating town centers and I look forward to offering county assistance to them in that collaboration.

Housing prices have continued to climb, with the median selling price growing 20 percent in 2002, alone. We discussed the housing need in 2002 ... I must mention it again. The history of Dutchess County has been one of caring for its citizens, not just some of them.. but all of them. Companies cannot pay everyone the salary needed to afford expensive homes. How do we become more inclusive to recapture our traditional spirit of acceptance? What can a community do to provide housing that its local working family can afford? The answer has to be addressed, in part, through the creative application of new zoning provisions and forward thinking land use policies. [Pawling](#) and East Fishkill have already begun to address the problem in their codes. Today I again challenge other communities to join them. Moderately priced housing should not be viewed as a problem for the cities to answer; rather we should consider it an opportunity for all of us. We work to achieve balances in life, whether checkbook or work and pleasure. *Balance in housing* is every bit as necessary, and a balanced economy is central to our economic security for local businesses to prosper and families to be secure.

I feel so committed to the need to expand our housing opportunities that I will accept any invitation by local governments to discuss the issue with them. Resolution is possible, I am sure, in a way that protects our local identity and rural quality of life. I will ask my Commissioner of Planning and his [Housing](#) Coordinator along with our EDC to join me in such discussions. I am confident our County Planning Department can work with local communities to explore acceptable opportunities for consideration by town leaders. Let's not talk endlessly about this challenge; let's do something more about it— NOW!



But I must add that where we can do something about housing, we are and will continue to do so. Revitalizing our two city cores with “*home improvements*” to the Main Streets of [Beacon](#) and [Poughkeepsie](#) while at the same time helping to create the full range of housing units our community needs, are examples of things we can control through cooperation and collaboration with our cities. As I discussed last year, the empty Hudson River Psychiatric Center can be turned into a huge community asset. We

have moved closer to that goal with HRPC currently under contract to purchase by a private developer. The new owners will begin developing their interest in using the building inventory, in part, for conversion into new housing units.

There are real examples of how these effective policies are bearing fruit. County community development assistance we have directed to Beacon has migrated from east Main Street to west Main Street. The façade restoration program is being used extensively.

And last year in my State of the County address, I offered a half million dollars to assist Poughkeepsie in its Main Street revitalization, specifically to create critically needed housing units. Subsequently, I increased that

amount to \$755,000, whereby the County will assist in financing 86 new housing units on Main Street and another unit on Mill Street. Perhaps more importantly, I introduced the *Pennrose/Duvernay* and *Brooks* team to the city, resulting in an agreement to construct rental units in three, attractive 4-story buildings and some retail space on the 400 Block of Main Street in Poughkeepsie. The city is now moving forward in the approval process to begin these projects.

Another example of where and how we can do something about our housing needs is the coordinated use of the [Community Development Block Grant](#) funding between and among local communities and the county to achieve new housing opportunities for seniors. Last year I discussed the county cooperating with the [Town](#) and Village of [Red Hook](#) to convert the former *PERX* brownfield site, now county owned through tax foreclosure, into 100 units of senior citizen housing. Work progressed in 2002 with phase one of the county cleanup occurring on the site with the Town and Village of Red Hook dedicating county community development funds to be used in the cleanup effort. Once the cleanup has been completed, I will be submitting a proposal to the Legislature to transfer title to the property for the purposes of critically needed senior housing. This availability will of course create a positive “housing” domino, freeing up single-family homes the seniors currently own to then become entry housing for young families.

This project alone encompasses many of the priorities I have set in recent years and is testament to how working together we can and we do find solutions to strengthen our economic security in the future.

None of our activity to advance our quality of life in Dutchess County is by accident. We have consciously and deliberately developed and acted upon policies over recent years to make Dutchess County a better place to live. The support of our citizens and our local officials in this quest has been critical *Let's picture it again.* A more connected county with a system of open space, trails, and recreational areas near by where we all live. More thriving cities, welcoming points in a county which is increasingly alluring due to its focus on the arts, open space, recreation and historical character. Development supported by utilities so it is organized and relatively contained, not sprawled thoughtlessly across our countryside. County government programs and services that are becoming more cohesive and accessible to all our residents.

Dutchess County's future - the future I am confident in and excited about - all depends on a secure economy, a balanced tax base, a stable population, and a safe, secure community. The progress we have made in these areas is remarkable, yet we can never take that progress for granted. I have attempted in this 2003 address to convey “how” I believe we will not let that happen, how we will together keep this community one step in front of others as we position and re-position ourselves to deal with securing our future.

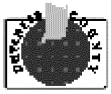
As a community we deserve to take that long pause of fun in the spring and celebrate the progress we have made – celebrate with joy and with confidence that we have in place the infrastructure to create the new and creative strategies reflecting the nature of the challenges before us today and in the future.

May God Bless Dutchess County.

**William R. Steinhaus
Dutchess County Executive**

February 5, 2003

[Office of the County Executive](#)



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